

**STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
Division of Workers' Compensation**

**NOTICE OF MODIFICATION TO TEXT OF PROPOSED REGULATIONS
AND NOTICE OF ADDITIONS TO THE RULEMAKING FILE
(Workers' Compensation Information System)**

TITLE 8, CALIFORNIA CODE OF REGULATIONS, SECTIONS 9700, ET SEQ.

NOTICE IS HEREBY GIVEN pursuant to Government Code Section 11346.8(c) that the Administrative Director of the Division of Workers' Compensation proposes to modify proposed regulations contained in the California Code of Regulations, Title 8, Chapter 4.5, Subchapter 1, Article 1.1, commencing with Section 9700. The proposed modifications are in response to comments received during the public comment period ending on February 11, 1999. The original proposal was made in August 1998. The regulations concern the Workers' Compensation Information System.

PRESENTATION OF WRITTEN COMMENTS AND DEADLINE FOR SUBMISSION OF WRITTEN COMMENTS

Members of the public are invited to present written comments regarding these proposed modifications to the text to:

Ms. Gevette Carlin, Regulations Coordinator
Department of Industrial Relations
Division of Workers' Compensation
Post Office Box 420603
San Francisco, CA 94142

All written comments must be received by the above agency contact person no later than 5:00 p.m. on May 24, 1999.

AVAILABILITY OF TEXT OF REGULATIONS AND RULEMAKING FILE

Copies of the original text and modified text with modifications clearly indicated are available immediately for public review during normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, at the office of the Division of Workers' Compensation, located at 455 Golden Gate Avenue, 9th Floor, San Francisco, California 94102. Contact the Regulations Coordinator, Ms. Gevette Carlin, at (415) 703-4600 to review the rulemaking file (including new material added to the file) or to obtain a copy of the modified text.

NOTICE OF THE ADDITION OF MATERIAL TO THE RULEMAKING FILE

New items introduced into the rulemaking file after the close of the comment period on February 11, 1999, and which are part of the basis for the current proposal, consist of the following:

Item 1: EDI Implementation Guide for Medical Bill/Payment Report, Release 1 Beta, issued April 28, 1999, by the International Association of Industrial Accident Boards and Commissions.

Item 2: The Electronic Data Interchange Trading Partner Profile [Form DWC WCIS TP01 (Revised 4/99)].

Items 1 and 2 may be reviewed in the rulemaking file beginning immediately by contacting the Regulations Coordinator listed above.

FORMAT OF PROPOSED MODIFICATIONS

A copy of the modified proposed text is attached, utilizing the following format to indicate changes:

August, 1998 Proposal: Underlined to show originally proposed regulation language.

15-day Proposal:
(December 1998) ~~Strikethrough type~~ to show deletions from the proposed regulation language.
Double underlined type to show additions to the proposed regulation language.

15-day Proposal:
(January 1999) ~~Double strikeout type~~ to show deletions from the proposed regulation language.
Wave underline type to show additions to the proposed regulation language.

15-day Proposal:
(May 1999) ~~Italic strikeout type~~ to show deletions from the proposed regulation language.
Dash underline type to show additions to the proposed regulation language.

SUMMARY OF CHANGES

For the convenience of the public, we summarize the changes from the January 1999 text being proposed now:

1. Proposed Section 9701:

Subsection (a):

Substituting September 1, 1999 for July 1, 1999 amends the definition of “claim.”

Subsection (g):

Amended to reflect the latest version of the EDI Implementation Guide for Medical Bill/Payment Report, Release 1 Beta, issued April 28, 1999. This version is now part of the rulemaking file and incorporated by reference into the proposed regulations.

Subsection (h):

“Indemnity Benefits” is expressly defined as payments conferred for any of the following: temporary disability indemnity, permanent disability indemnity, death benefits, vocational rehabilitation maintenance allowance, and employer-paid salary in lieu of compensation. The inclusion of this subsection necessitates the re-lettering of the remaining subsections.

Subsection (l) [formerly Subsection (k)]:

Amended to reflect the revised EDI Trading Partner Profile [Form DWC TP01 (Revised 4/99)], which is now part of the rulemaking file and incorporated by reference into the proposed regulations.

2. Proposed Section 9702:

Subsection (a):

Amended to provide that variances granted under Subsection (a)(1) must be set forth in writing. It is not required that such variances be exclusively set forth in the EDI Trading Partner Profile.

Subsection (b):

Amended to provide that data elements required under this subsection must be submitted to the WCIS on or after September 1, 1999. Amendment of “five days” to “five business days” to clarify the reporting deadline. Amended to include Data Elements Nos. 154 (Employee ID Assigned by Jurisdiction), 184 (Insured Type Code), and 224 (Physical Restrictions Indicator). Data Element No. 522 is now defined as the “ICD-9 CM Diagnosis Code.” Footnote 2 is deleted and replaced with “Release 1 only; not required after July 1, 2000. Footnote 7 is added to state that Data Element No. 154 (Employee ID Assigned by Jurisdiction) applies only to employees for whom the employer is not required to collect and maintain the employee’s Social Security Number. The footnotes are also revised to indicate which data elements are applicable to Release 1 of the EDI Implementation Guide for First, Subsequent, Acknowledgment Detail, Header & Trailer Records, and which are applicable to Release 2.

Subsection (d):

Amended to provide that on an after July 1, 2000, data elements are to be submitted within ten business days of whenever indemnity benefits of a particular type and amount are started, changed, suspended, restarted, stopped, delayed, or denied, or when a claim is closed or reopened, or when the claims administrator is notified of a change in employee representation. (See Data Elements Nos. 86, 88, 89, 94, 125, and 195). The transmission of data elements is not required under this subsection for routine payments made during the course of an uninterrupted period of indemnity benefits. The biweekly reporting requirement and the availability of a variance through the EDI Trading Partner Profile is deleted. The footnotes are revised to remove redundant information and to identify the specific codes that must be used for several data elements. The subsection is amended to include Data Elements Nos. 58 (Employment Status Code), 63 (Wage Period Code), 83 (Permanent Impairment Body Part Code), 84 (Permanent Impairment Percentage), 146 (Death Result of Injury Indicator), 218 (Payment Amount), 222 (Payment Reason Code), 224 (Physical Restrictions Indicator), 228 (Returned to Work with Same Employer Indicator), and 241 (Settlement Type Code).

Subsection (e):

Amended to clarify the reporting deadline: for the indicated claims, claims administrator shall submit, within ninety (90) days from the end of each calendar quarter, the specified data elements for all medical services for which the claims administrator has received notice of services rendered. The addition and deletion of data elements under this subsection have been necessitated by the IAIABC’s April 28, 1999 issuance of the EDI Implementation Guide for Medical Bill/Payment Report, Release 1 Beta. This Guide has now separated “providers” into “billing providers” and “rendering line providers.” See Data Elements Nos. 528, 529, 629, 537, 634, 586, 587, 589, 592, 595, 599. Both billing and rendering line providers will also be required to submit a national provider identifier upon assignment by the federal Health Care Financing Administration (“HCFA”). See Data Elements Nos. 634 and 592. The Diagnosis Code (DN 522) is now defined as the ICD-9 CM Diagnosis Code. Managed Care Organizations will need to provide their name and FEIN. See Data Elements

Nos. 704 and 209. (For HCO claims, the HCO name will be required as well as the FEIN of the sponsoring organization.) Of specific note are the addition of Data Elements Nos. 726 and 727, the HCPCS Procedure Paid Code and the HCPCS Modifier Paid Code (if a modifier has been provided), and Data Element No. 729, Jurisdiction Procedure Paid Code. A footnote indicates that HCPCS Level I codes must be used; these codes are equivalent to the Current Procedural Terminology (CPT) codes published by the American Medical Association. The codes required for submission under Data Element No. 729 are those unique to California, which are set forth in the California Official Medical Fee Schedule. For consistency, the subsection is revised to substitute “EDI Trading Partner Profile” for “trading partner agreement.”

Subsection (f):

Addition of language (“Notwithstanding the requirement in Subsection (b)....”) to clarify that Subsection (f) applies to all transmissions of incomplete or erroneous data elements and must be considered in addition to the requirement in Subsection (b) that data elements omitted in the first report must be submitted within 60 days after the transmission of the first report. Deletion of the redundant phrase “to WCIS.” Addition of the phrase “for the affected claim” to clarify that data which corrects or completes information previously submitted or omitted on a specific claim must be submitted to WCIS at the time of the next transmission of data for that claim. This will eliminate possible scenarios (however unlikely) where claims administrators would have had only one day to submit newly discovered information.

Subsection (g):

Substitution of the word “through” for the word “for” to conform the reportable data to the definition of Data Element Nos. 86 and 215 (a cumulative total instead of an annual amount paid).

Comment is invited *only* on the modifications made in this proposal.

Dated: May __, 1999

PEGGY W. SUGARMAN
Chief Deputy Administrative Director